
SENATE BILL 6719

State of Washington 60th Legislature 2008 Regular Session

By Senators Keiser, Morton, Sheldon, Swecker, Hobbs, and Pridemore

Read first time 01/22/08. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to increasing public utility district bid limits to
2 address inflation and increased material costs; amending RCW 54.04.070
3 and 54.04.082; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that public utility
6 districts provide customer-owned, nonprofit utility services throughout
7 Washington state. The legislature further finds that statutory bid
8 limits for public utility districts have not been increased to address
9 inflation and dramatic cost increases in construction materials. The
10 legislature further finds that the impact of existing bid limits and
11 high construction material costs is that public utility districts are
12 often unable to: Maintain and repair their own utility infrastructure,
13 provide training and experience to utility workers, and handle high
14 administrative costs. The legislature further finds that existing bid
15 limits result in increased costs to both public utility districts and
16 utility customers. Therefore, it is the intent of the legislature to
17 amend the bid limits for public utility districts to address inflation
18 and increased material costs.

1 **Sec. 2.** RCW 54.04.070 and 2002 c 72 s 2 are each amended to read
2 as follows:

3 Any item, or items of the same kind of materials, equipment, or
4 supplies purchased, the estimated cost of which is in excess of (~~ten~~)
5 twenty-five thousand dollars, exclusive of sales tax shall be by
6 contract: PROVIDED, That a district may make purchases of the same
7 kind of items of materials, equipment and supplies not exceeding
8 (~~five~~) twenty-five thousand dollars in any calendar month without a
9 contract, purchasing any excess thereof over (~~five~~) twenty-five
10 thousand dollars by contract. Any work ordered by a district
11 commission, the estimated cost of which is in excess of (~~ten~~) twenty-
12 five thousand dollars exclusive of sales tax, shall be by contract,
13 except that a district commission may have its own regularly employed
14 personnel perform work which is an accepted industry practice under
15 prudent utility management without a contract. Prudent utility
16 management means performing work with regularly employed personnel
17 utilizing material of a worth not exceeding (~~fifty~~) two hundred
18 thousand dollars in value without a contract: PROVIDED, That such
19 limit on the value of material being utilized in work being performed
20 by regularly employed personnel shall not include the value of
21 individual items of equipment purchased or acquired and used as one
22 unit of a project. Before awarding such a contract, the commission
23 shall publish a notice once or more in a newspaper of general
24 circulation in the district at least thirteen days before the last date
25 upon which bids will be received, inviting sealed proposals for the
26 work or materials; plans and specifications of which shall at the time
27 of the publication be on file at the office of the district subject to
28 public inspection. Any published notice ordering work to be performed
29 for the district shall be mailed at the time of publication to any
30 established trade association which files a written request with the
31 district to receive such notices. The commission may at the same time
32 and as part of the same notice, invite tenders for the work or
33 materials upon plans and specifications to be submitted by the bidders.

34 All contract projects equal to or in excess of one hundred thousand
35 dollars shall be let by competitive bidding unless the public utility
36 district lets contracts using the small works roster process under RCW
37 39.04.155.

1 Whenever equipment or materials required by a district are held by
2 a governmental agency and are available for sale but such agency is
3 unwilling to submit a proposal, the commission may ascertain the price
4 of such items and file a statement of such price supported by the sworn
5 affidavit of one member of the commission and may consider such price
6 as a bid without a deposit or bond.

7 The commission may waive the competitive bidding requirements of
8 this section pursuant to RCW 39.04.280 if an exemption contained within
9 that section applies to the purchase or public work.

10 **Sec. 3.** RCW 54.04.082 and 2002 c 72 s 1 are each amended to read
11 as follows:

12 For the awarding of a contract to purchase any item, or items of
13 the same kind of materials, equipment, or supplies in an amount
14 exceeding (~~ten~~) twenty-five thousand dollars, but less than (~~fifty~~)
15 one hundred thousand dollars per calendar month, exclusive of sales
16 tax, the commission may, in lieu of the procedure described in RCW
17 54.04.070 and 54.04.080 requiring public notice to invite sealed
18 proposals for such materials, equipment, or supplies, pursuant to
19 commission resolution use the process provided in RCW 39.04.190.
20 Waiver of the deposit or bid bond required under RCW 54.04.080 may be
21 authorized by the commission in securing such bid quotations.

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